

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 96-112-W/S - ORDER NO. 96-254 ✓
APRIL 10, 1996

IN RE: Application of Heater of Seabrook, Inc.) ORDER
 for Transfer of its Water and Wastewater) APPROVING
 Utility to the Town of Seabrook Island.) TRANSFER

This matter comes before the Public Service Commission of South Carolina (the Commission) on the Petition of Heater of Seabrook, Inc. (HOS) for approval of the transfer of its water and wastewater utility systems to the Town of Seabrook Island (the Town). HOS also request a waiver of notice and public hearing in this case.

HOS owns and operates water and wastewater utility systems within and near the Town of Seabrook Island in Charleston County, South Carolina under Certificates of Public Convenience and Necessity issued by the Commission.

On February 7, 1995, the Town served notice of condemnation proceedings to take the water and wastewater utility systems of HOS and the Court action is pending at this time. HOS and the Town have reached an agreement for the sale and transfer of the utility systems to the Town, and an "Asset Purchase Agreement" dated March 29, 1996 has been executed by HOS and the Town. A copy of the Agreement was submitted to the Commission for its review. The terms and conditions of the sale and transfer are set

out in the Agreement, and HOS has applied for approval of the transfer from the Commission. HOS also applies for waiver of any notice and hearing requirements of the Commission since, according to it, such waiver is in the public interest in having the transfer take place as soon as possible, and because due notice and hearing have already been provided as follows. HOS states the following facts:

- a. In November 1993, the Town, through its Council and Mayor, contacted HOS to begin negotiations for the purchase of the utility systems. Numerous meetings have occurred over several years and the matter has been discussed at Town and Seabrook Island Property Owners Association meetings.
- b. An election was held by the Town regarding the acquisition of the assets of HOS on October 11, 1994, at which time 94% of the voters who cast ballots approved Town's acquisition of the utility systems. The voters in the Town are the customers of HOS who will be affected by the transfer.
- c. A second election was held on January 10, 1995 and 98.6% of all voters who cast ballots approved the provision of water and sewer services by the municipality.
- d. Customers and other interested persons have had opportunities to express their views regarding the proposed transfer which was discussed after notices and public hearings in the Town.

According to HOS, the public convenience and necessity will be served by the transfer of the water and wastewater systems of HOS to the Town. HOS therefore requests approval of the transfer of its water and wastewater utility system to the Town of Seabrook Island.

The Commission has examined this matter and believes that the transfer should be approved. The Commission is cognizant of the

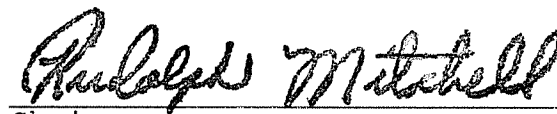
fact that Regulations 103-504 and 103-704 require notice and hearings in matters of this type. However, the Commission is also cognizant of the fact that in Regulation 103-501 and 103-701 provision is made for waiver of the Commission's regulations, where compliance with any of the regulations introduces unusual difficulty. In such cases regulations may be waived by the Commission upon a finding by the Commission that such waiver is in the public interest.

The Commission has examined the matter at hand and believes that unusual difficulty would result if the notice and hearing provisions of the regulations were carried out. The Commission believes that it is in the public interest to waive these regulations. The Commission notes that numerous notices were issued to the affected customers, and various town meetings held which in our opinion constitute hearings under these regulations. We further believe that the transfer of these systems is in the public interest, and that the affected public is overwhelmingly in favor of said transfer. We therefore hold that the transfer of the water and wastewater utility systems presently owned by Heater of Seabrook, Inc. to the Town of Seabrook Island is hereby approved.

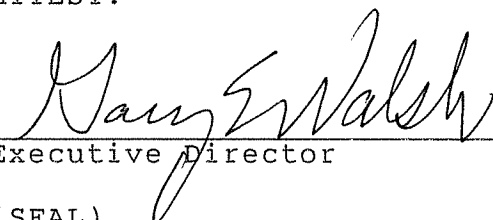
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This Order shall remain in full force and effect until further
Order of the Commission.

BY ORDER OF THE COMMISSION:


Chairman

ATTEST:


Deputy Executive Director
(SEAL)